

This is the Commissioner's Column for the November/December 2007 issue of Environmental News, a publication by the New Hampshire Department of Environmental Services

The title of the column is Regional Greenhouse Gas Initiative moves forward

By Tom Burack, DES Commissioner

Over the next few months, you are likely to hear and read about the Regional Greenhouse Gas Initiative, otherwise known as RGGI. The roots of this legislation date back to a 2001 resolution adopted jointly by the New England Governors and Eastern Canadian Province Premiers to work together to address climate change. The New Hampshire Legislature this coming year is poised to consider legislation to implement a RGGI memorandum of understanding to establish a carbon dioxide emissions "cap and trade" program for electric power plants that run on fossil fuels.

The memorandum of understanding is a regional agreement signed in 2005 by the Governors of ten states, including New Hampshire and all the other New England States plus Maryland, New York, New Jersey and Delaware. Each state agreed to pursue adoption of its own regulations and laws to implement a flexible, market-based program to reduce carbon dioxide emissions – a major cause of climate change – from power plants in these states.

The RGGI agreement sets a regional carbon dioxide emissions cap (or limit) of 188 million tons annually for the largest power plants those that generate more than 25 megawatts for the period from 2009 to 2014. The regional cap represents the projected emissions for 2009, the starting year of the program. The emissions cap will then be reduced by 2.5 percent per year for the final four years of the program for a total reduction of 10 percent by 2019.

The cap and trade program is structured on allowances, with one allowance equaling one ton of carbon dioxide emissions. Each state is apportioned allowances based on its relative emissions which are attributable to the regulated power plants in that state. New Hampshire will be apportioned 8.6 million allowances per year in the early years of the program. The power plants must have enough allowances to cover their emissions, and may purchase, or “trade,” emission reductions from other power plants or from developers of projects that achieve greater greenhouse gas reductions.

A major benefit of the RGGI program is the flexibility it provides to the states for increasing energy efficiency and promoting new, clean energy technologies. For example, each state will decide the manner in which it distributes its allowances. At this time, all the RGGI states, including New Hampshire, are considering selling their allowances at auction and investing the proceeds in energy efficiency or clean energy technologies. An economic study recently conducted by the University of New Hampshire has shown that this option provides the greatest long-term economic benefit to New Hampshire rate payers and the New Hampshire economy.

New Hampshire and the other Northeastern and Mid-Atlantic states recognize that they must act now to do something about climate change. A strong consensus exists within the scientific community that the earth is warming as a result of emissions of carbon dioxide and other greenhouse gases that are produced by human activities such as the burning of fossil fuels, including coal, oil, natural gas for such things as electricity, heating and cooling and transportation as well as changes in land development patterns.

Research by the University of New Hampshire shows that our state is already experiencing climate change, such as increased average summer and winter temperatures, less snow cover, earlier river ice-

out and spring high flow, and greater frequency of intense rain events. In fact, New Hampshire has experienced three 100-year flood events in two years, resulting in over \$35 million in damages to roads, bridges, and private property.

A recent scientific study, the 2007 Northeast Climate Impacts Assessment, has predicted that in the Northeast, by late in the century, warmer winters will shorten the average ski seasons and the snowmobile season will be marginal to non-existent. The number of summer days over 90°F in many of the region's cities, such as Concord, are expected to triple. These impacts will affect many aspects of our economy including our forest industry and tourism, and will impose additional significant infrastructure costs on our cities and towns. Increased summer high temperatures exacerbate air pollution and create health concerns for our citizens, especially children, the elderly, and those with respiratory ailments.

The New Hampshire RGGI legislation has been carefully crafted through a stakeholder process that included legislators, ratepayers, the environmental community, the healthcare community, businesses, and electricity producers. We look forward to working with all interested parties to enact RGGI and to obtain real environmental and public health benefits by reducing carbon dioxide emissions from our power plants, while maintaining energy affordability and reliability here in Granite State.

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